GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3522
ANSWERED ON:20.08.2004
NATIONAL SAVING SCHEMES
Chandrappan Shri C.K.

Will the Minister of FINANCE be pleased to state:

(a) whether the primary agriculture credit societies/banks owned and managed by farmers, ordinary artisans and workers are no more allowed to invest their deposits in National Saving Schemes (NSS) whereas deposits of Trusts and Associations are accepted by NSS;

(b) if so, the reasons therefor;

(c) whether the Government has received representations, from Cooperative Banks, Societies etc.; and

(d) if so, the action taken by the Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a) to (d) Prime objective of the small savings schemes of the Government is to inculcate the habit of thrift and savings amongst common masses and to provide them a riskfree avenue of investment. The banks, financial institutions, cooperative societies, etc., are not eligible to invest their surplus funds under these schemes. Only Registered Trusts are eligible to invest in some of the small savings schemes. Moreover, 'association of persons' and 'body of individuals' as defined in the Income Tax Act are eligible to invest in the PPF scheme only.

Representations received from various quarters are dealt with in accordance with the policy and rules governing small savings schemes.